



March 6th, 2014

**Letter - Expression of Interest
VIA ECFS**

Chairman Thomas Wheeler
Commissioner Mignon Clyburn
Commissioner Jessica Rosenworcel
Commissioner Ajit Pai
Commissioner Michael O'Rielly
Jonathan Chambers
Federal Communications Commission
445 12th Street, SW 20024
Washington, DC

**Re: Expression of Interest - Rural Broadband Trials
Connect America Fund, WC Docket No. 10-90**

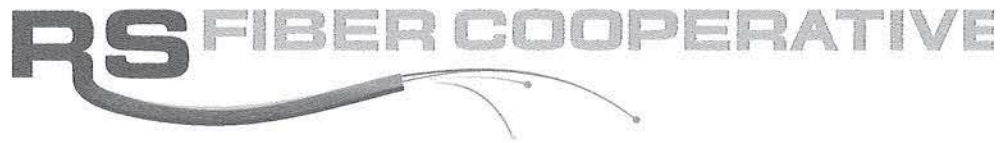
Dear Chairman Wheeler, Commissioners, and Mr. Chambers,
This letter is to express the RS Fiber Cooperative's interest in participating in the Rural Broadband Trials announced at the January 30th FCC Open Meeting. We are excited to propose our fiber to the home/farm network for your consideration and are excited for the opportunity to document the need we have in Renville and Sibley counties in Minnesota for high-speed Internet service. We respectfully ask the Federal Communications Commission to consider our area's need when making decisions regarding the Rural Broadband Trials and any future initiatives related to the Connect America Fund.

Background

The RS Fiber Cooperative is an 10 community, 21 township fiber to the home and farm network that encompasses 650 square miles in west central Minnesota. Primarily an agricultural area, the largest community in the project has a population of 2,300 people with the smallest at 400.

The city councils of the ten communities, the board of commissioners for Renville County and now 21 township boards of supervisors have been working for the past three years to attract financing to the project. More than 55% of the households in the area have indicated they will support the project. The project area is served by one independent phone company, and two ILECs, CenturyLink and Frontier Communications. DSL speeds range from 3 to 10 megs down and a meg to five megs up. Mediacom provides cities with speeds up to 15 megs down and 5 megs up.

A feasibility study has been completed for the \$55 million project. More than 55% of the households in the area have sent in pledges of support. The project is viable and "shovel ready."



Geographic Territory

The project area includes all of Sibley County and four townships in Renville County. The area is approximately 650 square miles in size with a population of about 18,000.

Proposed technology

We will be building a GPON fiber to the home and farm network capable of delivering up to a gigabit of symmetrical bandwidth. Internet speeds offered will be 50 meg, 100 meg and gigabit, all symmetrical. VoIP phone and IPTV services will also be offered, along with emerging applications for telemedicine, education and home/farm security.

Existing Providers

CenturyLink - Offers phone and Internet with advertised Internet speeds "up to" 40 megs but no one ever comes close to that speed. The best people can get it about 5 megs. Their prices are standard across their footprint. Higher, dedicated Internet speeds, however, are very expensive and out of reach of most people and businesses.

Frontier Communications - Offer phone and Internet with speeds up to 20 megs. But again, because of the shared nature of their copper network, people see speeds in the 3 to 5 meg range. Their prices are higher than CenturyLink prices.

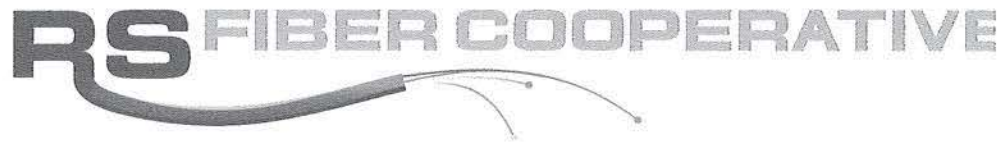
Winthrop Telephone - Offers phone and Internet speeds up to 20 megs down. And again, the shared nature of their network means customers usually get much lower speeds. Their prices have come down substantially since the communities announced their fiber project.

Mediacom - Offers speeds up to 20 megs down and 5 megs up. Pricing is competitive but the shared nature of the copper network means that speeds always slow down at night and the weekends. Actual speeds are usually not what are advertised.

NOTE: The communities have approached all three providers and asked them to work with the communities to build the fiber network. They all refused. Then the communities offered to put up the money to construct the network and the providers could operate and eventually own the network. None of them were interested.

Local Government Participation

Ten city councils and the Renville County Commission formed a joint powers board three years ago to assess, fund and construct the fiber network. An outside firm will be hired to operate the network. A nervous bond market in 2012 precluded financing and the JPB decided to discuss the opportunity with a local fiber cooperative that was formed to represent rural citizens. The joint powers board eventually turned the project over to the private cooperative but the JPB will still play a vital role. Along with their current 10 community membership, the JPB has asked the 21 township boards of supervisors in the project area to join the JPB and jointly issue a \$15 million G.O. Tax Abatement Bond. The proceeds of that



bond would be provided it to the private cooperative as an economic development loan. The cooperative would leverage that loan into a \$42 million financing package to build out the network.

There is tremendous support and participation by local units of government for the project but it will be a private business in the end.

List of Anchor Institutions

Schools: Gibbon-Fairfax-Winthrop Public School District, Sibley East Public School District, three private Lutheran schools and two charter schools would be connected.

Libraries: Libraries in all the communities will be hooked up to the fiber network.

Healthcare: There are two health care providers in the project footprint and both have indicated they want to be hooked up to the network and provide telemedicine opportunities.

City offices: City Halls in all ten communities as well as county buildings in Sibley and Renville counties will be hooked up.

Community Centers: Every community center in the project will be hooked up to the network.

Outside Interest and Support

The project can become a US-Ignite (US-Ignite.org) community. That means incubator start-up technology businesses will be created to develop applications for the network in the areas of health care, education, senior citizens and ag production.

Thank you for considering our Expression of Interest in your decisions about the amount of funding that will be allocated in the Rural Broadband Trials. We commend you in this effort to connect rural communities and are ready to help you close the digital divide.

Sincerely,

A handwritten signature in cursive script that reads "Mark Brandt".

Mark Brandt, Chairman
RS Fiber Cooperative

A handwritten signature in cursive script that reads "Dave Trebelhorn".

Dave Trebelhorn, Chairman
RS Fiber Joint Powers board